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THE TORONTO AND OTTAWA RAILWAY.

FACTS FOR THE CONSIDERATION OF HON. MEMBERS.

THE ORIGINAL CHARTER TO W. H. SCOTT AND OTHERS.
HOW AND WHY IT WAS SOLD TO MR. GOODERHAM.
WHAT WAS PAID FOR IT.
WHO GOT THE MONEY.
WHEN THE NEW COMPANY OBTAINED CONTROL.
WHAT THEY HAVE SINCE DONE.
WHAT THEY ARE DOING.
A NEW RAILWAY FROM TORONTO TO OTTAWA.
WHO WANTS IT.
IS IT *BONA FIDE*?
SOME SLANDERS REFUTED.
THE GRAND TRUNK AND MR. GOODERHAM.
WHO REALLY OWNS THE TORONTO AND OTTAWA.

The present owners of the charter for the Toronto and Ottawa Railway, understanding that applications have been made by the same parties both to the Parliament of Canada and to the Legislature of the Province of Ontario for charters over the line of road covered by the Toronto and Ottawa charter, desire to show to the members of both Houses of the Dominion Parliament and to the members of the Local Legislature how they became possessed of the charter, from whom they purchased it, and the present position of the undertaking.

A charter was granted for this line of road as early as the year 1871, and after being amended and passing through various hands, became the property of W. H. Scott, Hon. J. C. Aikins, Henry S. Howland, D. W. Dumble, and some others, who held the same for some years.

At the last session of the Legislature of Ontario the various Acts relating to the Company were consolidated and amended, and the time for the commencement of the work extended for two years. It unfortunately happened that Mr. W. H. Scott, who had devoted the best years of his life to the attempt to build this road, was stricken with paralysis, and being unable to take any further active part in carrying through the scheme, reluctantly concluded to endeavor to place it in hands that would carry out his plans.

HOW THE CHARTER WAS PURCHASED BY THE NEW COMPANY.

It having become known that the charter was for sale, negotiations were opened between Mr. H. S. Howland, one of those interested in it, for the sale by himself and his friends to W. Gooderham, Jun., representing large moneyed interests in Ontario. These negotiations continued for some time, and after the lapse of some months, were finally brought to a conclusion, through the intervention of Mr. W. B. Scarth, a well-known gentleman in Toronto, and the sale was concluded by the following instrument :

“ MEMORANDUM OF AGREEMENT

“ Made the twenty-third day of April, 1880.

“ BETWEEN WILLIAM HEPBURN SCOTT, of Peterboro', Esquire, and DAVID WILLIAM DUMBLE, of the same place, Esquire, and ALEXANDER F. SCOTT, of Brampton, Esquire, hereinafter called the Vendors, of the one part ; and WILLIAM GOODERHAM, the younger, of the City of Toronto, Esquire, hereinafter called the Purchaser, of the other part.

“ WITNESSETH that the vendors agree, for the consideration hereinafter mentioned, to assign and transfer, or cause to be assigned or transferred, to the purchaser, by a good title, and in a clear and indisputable manner, and to the satisfaction of the purchaser's solicitor, all the subsisting stock in the Toronto and Ottawa Railway Company except ninety shares thereof ; and should any objection be raised by them as to the transfer of said stock which vendors cannot agree to, then the same shall be referred to the Honorable Matthew C. Cameron, whose decision upon such point or objection shall be final between the parties.

“ THAT they will deliver, or cause to be delivered, ever to the purchaser the stock book and all other books, and all papers and all property and assets of every kind of the Company.

“ THAT they will, before or at the time of payment of the consideration hereinafter mentioned, pay, or cause to be paid and discharged, all debts, demands, and liabilities of the Company due or accruing due, except any contracts or engagements (if any) which may be binding on the Company under any municipal by-laws.

“ THAT they will procure to be assigned to the purchaser all and every claim and interest which John Fowler has in or against the Company, and his agreement with the Company, or the said Scott and Dumble, or either of them.

“ THAT they will assign and transfer to the purchaser all claim which they or either of them have against the Company for promotion of the Company's undertaking to this date.

“ THAT an election of Directors shall take place at such date as the purchaser shall fix, but not later than the first Tuesday in June next, and the

vendors will do all in their power to have a new Board named by the purchaser elected.

"THAT no new stock shall be subscribed by them, or permitted, or allowed by the present Board to be subscribed by others in the books of the said Company, without the consent of the purchaser.

"THE vendors covenant with the purchaser that the subsisting stock of the Company consists of seven hundred and fifty shares and no more, and should it prove otherwise, the vendors covenant to get in, and without further charge or cost transfer, the extra stock, free of all liens or claims as agreed, to the purchaser.

"THAT they will use every exertion and use all means within their power to procure to be withdrawn or defeated the Bill now before the Parliament of Canada known as the 'Quebec and Ontario Railway Bill.'

"THAT they will, at the expense of the purchaser and upon his request, give all the assistance in their power towards obtaining from municipalities on the line of Railway such bonuses as may be reasonably asked for in the interest of the said Railway.

"THE purchaser agrees that on the transfer of stock, and on delivering over the books, papers and property of the Company, and on satisfactory evidence being furnished, that all debts and liabilities of the Company, except as above mentioned, have been discharged so that the Charter with all its rights and privileges shall be intact and clear of encumbrance, and on the performance by the vendors of their part of this agreement in all respects, to the satisfaction of the purchaser's solicitor, or the Honorable M. C. Cameron, as above mentioned, and immediately after the election of Board of Directors named by him, he will pay to their attorney or assigns the sum of Thirty-three thousand five hundred dollars.

"THE purchaser agrees that if required by the vendors, on the transfer to him of five hundred and sixty shares of the said stock, and on delivery of the Stock and Minute Book of the Company, he will pay over to them or their duly appointed agent, for the purpose of enabling them to procure an assignment of the Fowler claim and the discharge of the debts of the Company, the sum of Six thousand dollars, and will pay the balance of the said purchase money on the complete performance by them of their part of the agreement.

"In witness whereof the said parties have hereto set their hands and affixed their seals the day and year first above written."

HOW THE CHARTER WAS PAID FOR.

Subsequent to this, Messrs. Scott and Dumble gave to W. B. Scarth an order on W. Gooderham, Jun., for \$10,000 in payment of the interest of Messrs.

Howland, Aikins, and Smith, who held 200 shares of the stock. This order was duly accepted and paid, as will be seen by the acknowledgment given below :

WILLIAM GOODERHAM, Jun.

SIR,— Please pay to W. B. Scarth, Esquire, Trustee for Hon. J. C. Aikins, Henry S. Howland, and A. M. Smith ten thousand dollars out of the last payment, payable to Scott & Dumble, under contract for sale of Toronto and Ottawa Railway Company's Stock, when they shall have assigned to you two hundred Shares of the Toronto and Ottawa Railway Company's Stock.

(Signed), D. W. DUMBLE,
A. F. SCOTT,
W. H. SCOTT,
Per A. F. SCOTT.

April 23rd, 1880.

Accepted—payable under terms of agreement with A. F. Scott, W. H. Scott, and W. D. Dumble.

(Signed), W. GOODERHAM, Jun.

RECEIVED on account, 15th June, 1880, the sum of Eight thousand dollars.

(Signed), W. B. SCARTH.

RECEIVED in full, 25th June, 1880, Two thousand dollars.

(Signed), W. B. SCARTH.

WHEN THE NEW COMPANY GOT POSSESSION.

It was then found that no legal change could be made in the Directorate until the Annual Meeting, nor could the present shareholders till then get control of the charter. The Annual Meeting was held and the necessary changes made on the 8th day of June, 1880, being the first Tuesday in June, as stated in our agreement for the purchase of the charter.

WHAT THEY HAVE SINCE BEEN DOING.

Immediately after the Annual Meeting Mr. J. C. Bailey was appointed Chief Engineer of the Road. Mr. Bailey was at that time engaged as Consulting Engineer in an inspection of the proposed line of the Ontario and Pacific Junction Railway, and on his return started at once to commence work on the Toronto and Ottawa Road. His first report is as follows :

TORONTO, July 9th, 1880.

DEAR SIR,—On the 22nd of last month I received instructions from you to make a survey of the line between Peterborough and Ottawa, over the proposed route of the Toronto and Ottawa Railway.

I started for Peterborough the next day and began work at once, and now lay before you an estimate of the cost of both the northern and southern routes. As you will observe by the accompanying memorandum the northern route is three miles shorter than the southern, one being 155 miles and the other 158 miles in length; there is, however, little difference in the actual work of either line.

Should we go by Perth, we could not very well connect with the Canada Central at Carleton Place, but must build an independent line right through to Ottawa; again, if we take the north line and join the Canada Central at Carleton Place, it will be necessary to well consider whether it is better to run on and use their track right through to Ottawa, or build an independent line parallel with their present fence. It might pay to build an independent line, as I notice a few of the grades on the Canada Central are sixty-five feet to the mile; and if all these grades had to be made up by the other road, this, with the annual rent or charges, might amount up to more than the building of our own independent track.

Perth is the only town of importance through which the line passes on the south; Lanark, on the north, is quite small, but has several mills and does a large business. The principal trade, as far as local traffic is concerned on either lines, will be that derived from mining operations. There are numerous mill sites with first-class water power, and only now await the opening of some railway through the country to bring the mills into full operation.

As far as the building of the road is concerned, it can be done for the figures in my estimate, for although it is very rough, rocky and broken, yet by careful location we can get a good alignment—no curve being sharper than three degrees (1910'), and the maximum grade one in one hundred (53 per mile). The only formidable stream is at Peterborough; the others are small, and without exception all have good rock bottoms, so that there will be no trouble with foundations.

Ties can be delivered on the track for 15 cents; timber plentiful, and the very best stone for culverts, bridge piers and abutments; so that should the Company build the road themselves, a great saving can be made with ties, timber, stone, and right of way, which cannot possibly come up to my figures in the estimate.

As I said before, a great deal of time must necessarily be taken in locating the line, as it will be no easy task to escape the mountains of rock unless more than ordinary care is bestowed upon the work. One thing in favor of the country is, that the valleys as a rule run parallel with the proposed track.

Yours truly,

(Signed), J. C. BAILEY.

JOHN LEYS, Esq.,

Sclicitor, Toronto and Ottawa R. R.

Mr. Bailey is engaged by the Company for three years, and has had a large staff of men at work locating the line, and has done so under instructions to spare neither time nor money in finding the very best route from Toronto to Ottawa. He is proceeding as rapidly as possible, getting over the ground as fast as is consistent with finding the best line to be had between the terminal points.

A very considerable sum has been spent in engineering, and a financial arrangement has been made to go on with the work as soon as the line is located through.

ANOTHER CHARTER ASKED OVER THE SAME LINE.

The present owners of the charter having purchased it in good faith, paid a large sum for it, and having gone on with all possible despatch to build the road, were surprised to find that an application was being made to the Dominion Parliament, and also to the Legislature of Ontario, for another Act of Incorporation, and that at least one of the parties who had sold out the existing charter to its present holders was engaged in endeavoring to get another one over the same line of road.

Hereunder will be found the notices of application for the charter—the one to the Dominion Parliament signed by Morrison, Wells & Gordon, the other to the Legislature of Ontario by Mr. R. W. Jameson, a clerk in the law office of that firm.

NOTICE IS HEREBY GIVEN THAT
an application will be made to the Parliament of Canada, at its next Session, for an Act to incorporate

THE "ONTARIO AND QUEBEC RAILWAY COMPANY OF CANADA,"

to construct and work a line of railway running in a north-easterly direction from the City of Toronto to the Village of Carleton Place, in the County of Lanark, with power to amalgamate with any lines of railway running westerly out of the City of Toronto, or easterly out of the Village of Carleton Place, or out of the City of Ottawa, and to cross and make running arrangements with any lines of railway on the route of the said railway, or touching at points connected therewith, and to make arrangements with any municipality through which the said railway may pass, and to authorize and empower any such municipality to transfer to the said Company any bonuses that may have been conditionally awarded to any other Railway Company on conditions on which the said bonus was awarded not being complied with by such Railway Company.

MORRISON, WELLS & GORDON,
Solicitors for Applicants.

NOTICE IS HEREBY GIVEN THAT
an application will be made to the Parliament of the Province of Ontario, at its next session, for an Act to incorporate

THE "CANADA WEST RAILWAY COMPANY,"

to construct and work a line of railway running in a north-easterly direction from the City of Toronto to the Village of Carleton Place, in the County of Lanark, with power to amalgamate with any lines running westerly out of the City of Toronto or easterly out of the Village of Carleton Place, or out of the City of Ottawa, and to cross and make running arrangements with any lines of railway on the route of the said railway or touching at points connected therewith, and to make arrangements with any municipality through which the said railway may pass, and to authorize and empower any such municipality to transfer to the said company any bonuses that may have been conditionally awarded to any other Railway Company on the conditions on which the said bonus was awarded not being complied with by such railway company.

R. W. JAMESON,
Solicitor for Applicants.

WHO WANTS THE NEW CHARTER.

Mr. W. H. Lockhart Gordon, of the firm of Morrison, Wells & Gordon, and Mr. Chaffee, a gentleman from Vermont, now residing in Montreal, and inter-

ested in an American Railway, will be found to be parties to the petitions presented both at Ottawa and Toronto.

The following is a copy of the petition in both cases :—

To the Honorable the Legislature of the Province of Ontario, in Parliament assembled :

The Petition of Richard Wells Jameson, the Honorable Rupert Mearse Wells, Edmund B. Osler, A. B. Chaffee, and William Henry Lockhart Gordon,

Humbly Sheweth :

THAT WHEREAS, the construction of a railway from the City of Toronto to Carleton Place in the County of Lanark and Province of Ontario, and from thence to the City of Ottawa, would be of great public advantage by affording facilities for the settlement of the back country, and for bringing to the market the produce thereof.

AND WHEREAS, the persons before mentioned are desirous with others of being incorporated as a Company, to construct and work a line of Railway running from the said City of Toronto in a north-easterly direction through the said district to Carleton Place aforesaid, with power to amalgamate with any lines of Railway running westerly out of the City of Toronto and easterly out of the Village of Carleton Place or out of the City of Ottawa, and to cross and to make running arrangements with other lines of Railways on the route of the said Railway, and touching at points connected therewith.

Your petitioners therefore pray: That it will please your Honorable House to allow a Bill to be introduced (and passed) incorporating your petitioners for the purpose of building and working the said Railway under the name of the Canada West Railway Company.

And your petitioners will ever pray, &c.

To the Honorable the House of Commons of the Dominion of Canada, in Parliament assembled :

The Petition of H. S. Howland, Duncan McIntyre, A. B. Chaffee, L. Ruggles Church, C. J. Campbell, and W. H. Lockhart Gordon,

Humbly Sheweth :

THAT WHEREAS, the construction of a Railway from the City of Toronto, through the Counties of Ontario, Durham, Victoria, Peterborough, Hastings, Wellington, Frontenac, Lanark, and to Carleton Place in the County of Lanark and Province of Ontario, and from thence through the County of Carleton to the City of Ottawa, would be of great public advantage by affording facilities for the settlement of the back country and for bringing to the market the productions thereof, and forming through the centre of the Province of Ontario a most valuable line of communication for national defence.

AND WHEREAS, the persons before mentioned are desirous with others of being incorporated as a Company to construct and operate a line of Railway from the said City of Toronto through the said district to Carleton Place aforesaid, and from thence to work and operate a Railway to the City of Ottawa, with power to cross the Ottawa River at or near the City of Ottawa, and to unite, amalgamate and make running arrangements with other lines of Railway in the Provinces of Ontario and Quebec, and to lease or purchase the same.

Your petitioners therefore pray: That it will please your Honorable House to allow a Bill to be introduced (and passed) incorporating your petitioners for the purpose of building, constructing and operating the said Railway under the name of the Ontario and Quebec Railway Company.

And your petitioners will ever pray, &c.

It will be seen from the Act that the Legislature of Ontario at its last session extended the time for the commencement of work on the Toronto and Ottawa Railway to two years ; that owing to Mr. Scott's unfortunate illness and the inability of his associates to prosecute the work, the charter became by purchase the property of its present holders ; that in good faith they paid \$33,500 for it, of which sum Mr. H. S. Howland and his particular associates got \$10,000 less than eight months ago ; that the sellers to us agreed to cause to be withdrawn or defeated the Bill known as the Quebec and Ontario Bill then before the Parliament of Canada ; and that they agreed to aid us in every way in their power in getting municipal aid.

As a matter of fact, we have been met with opposition at every point. Mr. Lockhart Gordon, one of the solicitors above mentioned, appeared in Ottawa when we were endeavoring to get a by-law passed there, and told the people that they were foolish to grant us aid, as his friends would go on and build the road as soon as they got a new charter, without municipal aid.

They did succeed, by what means we do not know, in getting the Quebec and Ontario Bill withdrawn at the last session of Parliament, but after we had paid our money and gone on with the work, we find the same bill again introduced this session in the Dominion Parliament, and by the same parties in disguise, to the Ontario Legislature.

The present owners of the charter respectfully submit that, until they have had a reasonable time within which to satisfy the public of their honest intention to build the road immediately, no charter should be granted over the same territory to another Company, and that most certainly no new charter should be granted to parties some of whom received within eight months a large sum of money for an interest in the existing charter.

DOES THE GRAND TRUNK CONTROL THE TORONTO AND OTTAWA CO.?

Since the above was written, it having been stated in the Railway Committee at Toronto that there was an impression existing that the Grand Trunk Railway Company controlled the present charter, and that no denial of this had ever been made, it is considered advisable to reproduce certain articles from the *Globe*, with certain letters written at the time, showing that as soon as the charge was made it was emphatically denied.

The Toronto *Daily Globe* of the 29th November, 1880, contained the following editorial :

TORONTO AND OTTAWA RAILWAY.

"The present proprietors of the Toronto and Ottawa Railway charter seem conscious that there is a public prejudice against Mr. Gooderham's management which may defeat the proposed grant of municipal subsidies to the scheme.

There is, no doubt, a strong suspicion that Mr. Gooderham's interests are those of the Grand Trunk. His course may have been a perfectly independent one; if so, it is to be regretted that many people should entertain doubts concerning it. Mr. Leys states that the decision whether the railway shall be built rests entirely with the cities of Toronto and Ottawa. It would be a great pity if they should refuse to assist the scheme just as the company seems ready to go on with it. To remove the suspicions of the public would not be a hopeless task if Mr. Gooderham would frankly answer one question: Did he receive \$30,000 from the Grand Trunk with which to buy the Toronto and Ottawa charter from the Scott combination? It is said that Mr. Hickson's Company furnished the money, and Mr. Gooderham cannot deny the assertion—in plain terms, the inference must be that the Grand Trunk has a lien on him. It is also alleged that Mr. Gooderham is the only member of his wealthy connection who has an interest in the projected road, neither Mr. Worts nor any other Gooderham being concerned.

“We wish so much to see the Toronto and Ottawa Railway built that we would willingly assist the holders of the charter if satisfied of their independence of Grand Trunk influence. But it is not possible to meet and dispose of the damaging statements which are continually cropping up, except by reference to a clear statement of his position and intentions, which Mr. Gooderham refuses to give. Should he continue the policy of reticence, the subsidy asked of Toronto is not likely to be granted.”

The above appeared on Monday, and in the *Globe* of Wednesday, December 1st, it was answered as follows:

(*To the Editor of the Globe.*)

“SIR,—In your editorial referring to the Toronto and Ottawa Railway, in to-day's issue of the *Globe*, you say:—

“There is no doubt a strong suspicion that Mr. Gooderham's interest's are those of the Grand Trunk.” “To remove the suspicion of the public would not be a hopeless task if Mr. Gooderham would frankly answer one question: Did he receive \$30,000 from the Grand Trunk with which to buy the Toronto and Ottawa charter from the Scott combination? It is said that Mr. Hickson's Company furnished the money, and Mr. Gooderham cannot deny the assertion.”

“My answer to this is that I did not receive \$30,000 or any other sum from the Grand Trunk, nor did Mr. Hickson nor Mr. Hickson's Company furnish me with any money for any such purpose. You further say:—‘It is also alleged that Mr. Gooderham is the only member of his wealthy connection who has an interest in the projected road, neither Mr. Worts nor any other Gooderham being concerned.’ This allegation, like the other, is untrue, as both Mr. Worts and Mr. George Gooderham have an equal interest with myself in the undertaking.

"I have reason to believe that this statement has been set afloat by parties connected with a short road running from a small town a few miles east of this, the owners of which have been making great exertions to divert trade which now finds its way to Toronto to another point. I may take this opportunity of confirming what was stated by Mr. Leys, Solicitor for the Company, at Ottawa last week—that on Toronto granting a bonus of \$300,000, and some of the other municipalities who have already voted over \$800,000 modifying some of the conditions contained in their by laws, we will be prepared to go on at once to build the road, to finish it with all speed, and run it as an independent line free from the control of any other Company. I am, &c.,

"W. GOODERHAM, JUN.

"November 30, 1880."

Upon which the *Globe* made the following editorial remarks :

MR. GOODERHAM'S DENIAL.

"We publish to day a letter from Mr. Gooderham which should set at rest the rumor that he purchased the charter of the Toronto and Ottawa Railway with Grand Trunk money and on Grand Trunk account. As he appears to be acting on behalf of an independent company, including important members of his wealthy family connection, there is no reason to suppose that his promise to keep the line independent is not made in good faith. The citizens of Toronto, who will be asked to aid the enterprise, have now as good a guarantee as can be given that the road will not pass under Grand Trunk control. The proprietors of the charter intend to keep the line independent, and it appears to us that to do so will be to consult their own interest. Toronto will gain a competing line to the east by subsidizing Mr. Gooderham's Company, and there are many reasons why the necessary money should be voted by the people."

In the Ottawa correspondence of the *Daily Globe* of December 29th last appeared the following, which speaks for itself :

"The voting on the Toronto and Ottawa Railway bonus takes place here on Thursday. The agitation in favor of the by-law appears to have been characterized by hard work and close personal canvass rather than by public meetings and loud talk. So as to meet the cry that the Grand Trunk Railway Company are secretly backing the Toronto and Ottawa Railway Company, Mr. Gooderham, Jun., has written a letter to Mr. John Leys, in which he denies that he is interested in any way in the Grand Trunk, or that the Grand Trunk has any interest in the Toronto and Ottawa Railway Company. The letter is to-day published for the first time, and will be found interesting to Torontonians as well as Ottawaites. It reads as follows :"

“TORONTO, December 23, 1880.

“JOHN LEYS, Esq. :

“*Dear Sir*,—In answer to yours informing me that it has been reported in Ottawa that I am a director and a large shareholder in the Grand Trunk Railway Company, I have to say once for all that I am in no way interested in the Grand Trunk, and I am not either a shareholder or a director in it, and what is of far more importance to the people of Ottawa, the Grand Trunk Company has no share or interest directly or indirectly in any way whatever in the Toronto and Ottawa Railway Company. Since we obtained control of the charter on first June last—a little over six months—we have expended a large sum of money in making surveys, and our engineers are now definitely locating the line east and west from Peterboro’. Any one acquainted with railway construction knows the importance of plenty of time being taken to find the very best line, a matter which is of very great importance in our case, because we shall have to compete with an old established line. I desire now to say that on the completion of the location of the line—which is being pushed rapidly forward—and on the municipalities granting the aid asked for, we will go on at once with the construction of the road, and will run it as an independent line.”

“I hope the people of Ottawa will not allow themselves to be deceived by stories set afloat by rival railway companies interested in blocking our road; and regretting very much that illness alone prevented me from being with you,

“I am sincerely, yours,

“W. GOODERHAM, JUN.,

“President Toronto and Ottawa Railway.”

Deep Runn Gap. N. C.
July

